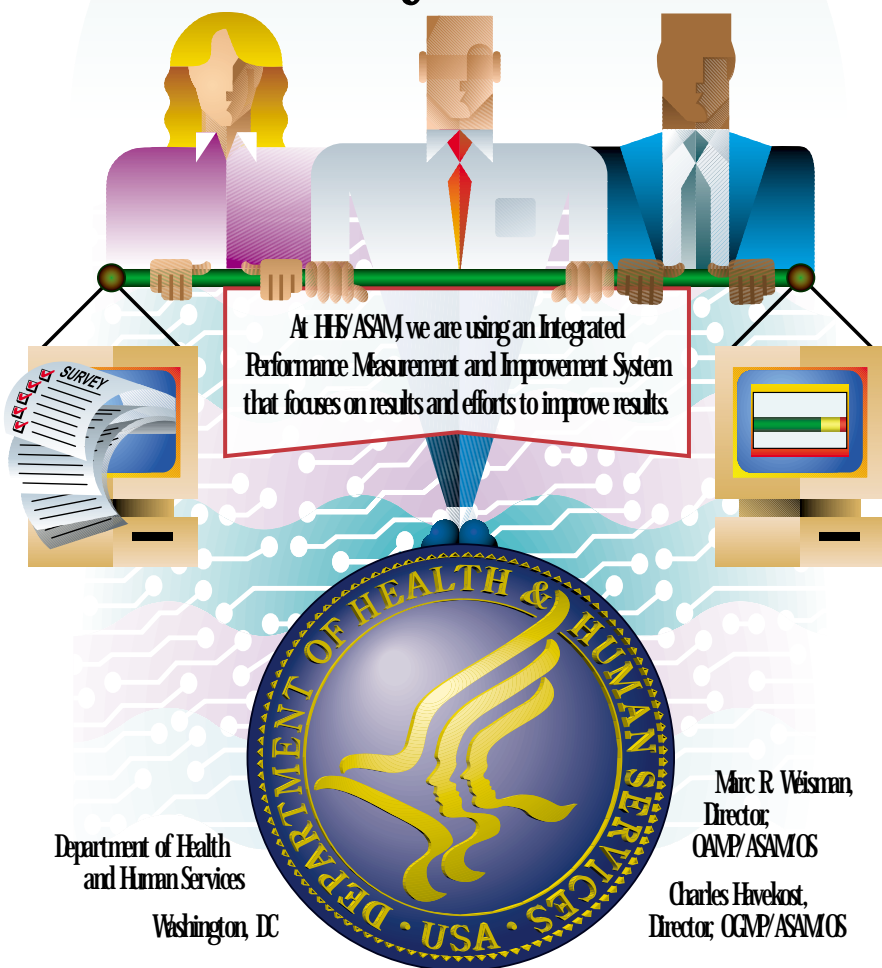


HHS/OS Office of the Assistant Secretary  
for Administration and Management (ASAM)

# Integrated Performance Measurement & Improvement System



Department of Health  
and Human Services  
Washington, DC

Marc R. Weisman,  
Director,  
OAMP/ASAM/OS  
Charles Havekost,  
Director, OGMP/ASAM/OS

## Overview of Performance Measurement and Improvement System

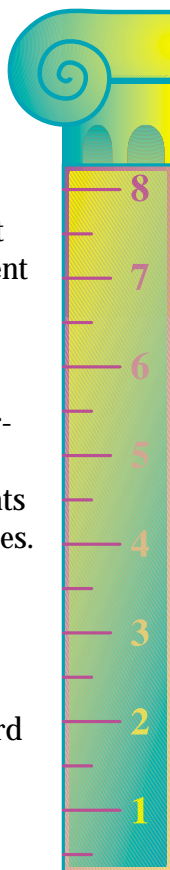
HHS/ASAM's Performance Measurement and Improvement System has been used successfully throughout the Department as a customer-focused, team-driven, balanced initiative to improve the accomplishment of our mission.

Since 1997/1998 we have used surveys of employees, internal customers, external stakeholders, and manager self-assessments to measure the quality of acquisition and grants performance results and identify improvement opportunities. Starting in FY03, we enhanced the Performance Measurement and Improvement System with measures of efficiency and regulatory compliance, and expanded the System to address key logistics and small business issues. The System encompasses four strategic Balanced Scorecard assessment tools:

- Surveys of employees, internal customers, and external stakeholders
- Manager self-assessments
- Quantitative efficiency models
- Vulnerability indices.

HHS/ASAM focuses on diverse perspectives with four Balanced Scorecard areas:

- Internal business processes
- Customer service
- Financial management
- Learning and growth.





## Major Areas of Performance Assessment

**Business Process Excellence**—using quality assurance systems, resolving protests, monitoring performance under contracts/grants, and employing strategic purchasing systems that cut costs.

**Workforce Quality**—enhancing training programs to meet mission needs.

**Quality Work Environment**—fostering superior performance with team rewards and recognition.

**Executive Leadership**—empowering employees; soliciting their opinions and ideas, communicating in a candid and timely way, and measuring performance against goals.

**Project Officer Performance**—using partnerships with project/program offices to promote early acquisition and grants planning for successful program performance.

**Partnership with Contractors and Grant Recipients**—building solid working relationships with contractors to obtain timely, high-quality products or services, and with grant recipients to ensure successful outcomes.

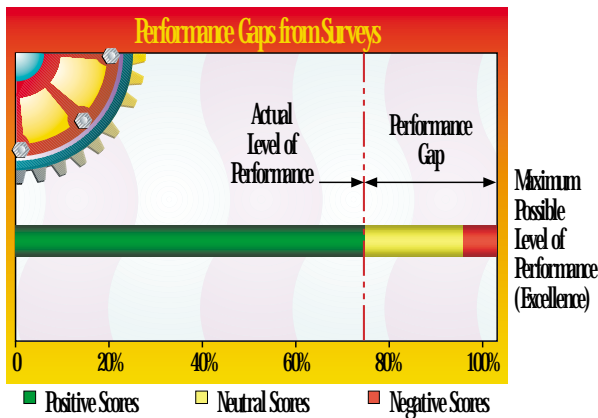
**Efficiency/Effectiveness**—drawing on personnel costs, workload actions, and customer service metrics to promote improved operating efficiency and quality.

**Vulnerability**—employing indices of key survey questions to help management gauge risks of regulatory noncompliance.

# Steps in the Performance Measurement and Improvement System

## *Measuring Initial Performance*

HHS/ASAM uses a balanced set of performance measures under this System. The System focuses on quality of performance using surveys and employs vulnerability indices and efficiency assessments to gauge other important aspects of performance. Computer templates facilitate survey administration, data entry, and data analysis.



## *Specifying Improvement Targets*

Targets are identified using the results of surveys, management's assessment of importance, and ease of improvement.

## *Organizing Project Improvement Teams*

Local teams are formed to make organizational improvements. Teams may consist of

- Employees
- Internal customers
- External stakeholders
- Managers.

Teams typically have from 3 to 15 people, depending on the performance area in question. They have maximum autonomy and responsibility to identify and implement needed improvements.

### ***Facilitating Improvement Efforts***

To help build a consensus, project improvement teams sometimes retain the services of an outside facilitator.



**Business Excellence  
Is Supported by  
Three Key Results**

### ***Rewarding and Recognizing Project Teams***

Most people find work on highly autonomous project teams to be intrinsically motivating. Some offices also provide extrinsic rewards (e.g., participation plaques).

### ***Implementing Improvements***

Project teams usually direct improvement implementation. HHS/ASAM's acquisition and grants Performance Measurement and Improvement User Groups (HHS User Groups) provide overall coordination and periodic forums for sharing, tailoring, and adopting successful practices.

### ***Measuring Performance Improvements***

After improvements have been in place 3 months or more (so the changes are visible), the System gauges the effect of corrective actions and identifies further improvement targets.

## Background

HHS/ASAM has consistently engaged in performance measurement and improvement initiatives. We worked with other federal agencies to develop common performance goals. We then tailored our continuous improvement process, resulting in our cost-effective, results-driven, customer-oriented Integrated Performance Measurement and Improvement System. This performance-based system complements our targeted process-oriented oversight reviews.

We have worked closely with the operating divisions (OPDIVs) to develop and implement the System. The System provides the framework for business and strategic planning in the areas of acquisition, grants, logistics, and small business. It gauges the extent to which OPDIVs are meeting their primary administrative support objectives—to provide quality products or services at fair prices, when program offices need them, consistent with regulations.

The System is administered by the HHS User Groups, composed of senior staff from each OPDIV, and coordinated by ASAM. This arrangement allows for decentralized implementation within individual operational environments, as well as centralized ASAM policy and management.

Periodically, ASAM holds benchmarking symposia to provide the OPDIVs with ideas for organizational improvement. ASAM held its first Benchmarking Symposium in April 2000 and its second in July 2003.

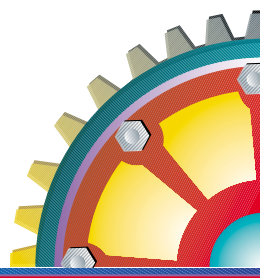




## The System

- Helps achieve program missions
- Reinforces HHS's strategic direction and core values
- Gives executives a useful decision-making and communications tool for business, program, and risk management
- Promotes sharing of successful practices
- Fosters continuous improvement in multiple business disciplines
  - Helps assess our progress in meeting government-wide performance management initiatives.

## OPDIV Accomplishments

- Improved advance planning
  - Redistributed workload to ease 4th quarter demands
  - Streamlined payment processes
  - Expanded outreach programs with business community
  - Fostered electronic tracking of requirements.
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## Roadmap for the Future

Over the next 5 years, ASAM's major performance management objectives are to

- Help monitor the effectiveness of the Department's consolidation initiatives, using results-oriented and process measures
- Develop and implement Balanced Scorecards for the logistics and small business functions
- Share benchmarks, performance results, or successful practices with other federal agencies through HHS's KnowNet (our business-oriented knowledge management system)
- Continually improve business and planning processes through feedback from customers, stakeholders, employees, and managers
- Use group rewards and recognition to improve teamwork and performance under the System.

Our acquisition, grants, logistics, and small business professionals are ***The Government's Business People.***

Experts in market research, supply chain management, performance-based requirements, negotiation, cost/price analysis, streamlining and innovation, performance assessment, and continuous improvement.

For more information, call ASAM's  
Office of Acquisition Management and Policy  
202-690-6361